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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000727

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [EAGR](#) [ETRD](#) [TW](#)
SUBJECT: FOREIGN MINISTER OU AND ACTING DIRECTOR DISCUSS
TAIWAN FOREIGN POLICY AND BILATERAL ISSUES

Classified By: AIT Acting Director Robert S. Wang,
Reasons: 1.4 (b/d)

¶1. (C) Summary: During an introductory call by A/DIR on May 23, Foreign Minister Francisco Ou expressed appreciation to the U.S. for sending Special Envoy Andrew Card to attend President Ma Ying-jeou's inauguration. The Ma administration wants to rebuild the mutual trust with the U.S. that was damaged under the Chen administration, Ou stressed. He said Taiwan will work to maintain its existing diplomatic partnerships but hopes to call a "diplomatic truce" with Beijing over competition for recognition by small countries. On bilateral issues, Ou expressed hope for higher level U.S.-Taiwan exchanges, and North American Affairs DG Harry Tseng reviewed developments on a possible extradition agreement. A/DIR raised beef imports, stressing the importance of the issue to the White House. Ou suggested Ma will probably request a U.S. transit to attend presidential inaugurations in Paraguay and the Dominican Republic on August 15 and 16. End Summary.

U.S.-Taiwan Relations

¶2. (C) On May 23, the Acting Director paid an introductory call on Foreign Minister Francisco Ou to discuss the Ma administration's foreign policy and current bilateral issues. Ou was accompanied by North American Affairs Department (NAAD) Director General Harry Tseng and NAAD officer Douglas Hsu. FM Ou told A/DIR that Taiwan highly appreciated the U.S. sending Special Envoy Andrew Card to attend President Ma's inauguration, adding that Ma had told him that the discussion with Card had been very good. Ma is clear about the importance of U.S.-Taiwan relations and the need to rebuild mutual trust following past difficulties during the Chen administration, Ou stressed. Ma also understands the importance of defense cooperation, a point reflected in his inaugural address.

"Diplomatic Truce"

¶3. (C) Ou said the Ma administration wants to stop the zero sum battle with China over small diplomatic allies, a battle he attributed to Beijing's unhappiness with President Lee Teng-hui's 1999 "two-state theory" and the independence line of the subsequent DPP administration. The new

administration's policy is to maintain the status quo: "no independence, no unification, no war." Ou believes Beijing can accept this line and call a "diplomatic truce," ending the diplomatic struggle over very small countries which the PRC does not need.

14. (C) Taiwan will work to strengthen relations with existing allies, continuing its aid programs, but it will not seek to win new allies at Beijing's expense, Ou said, adding that Taipei will neither submit to blackmail nor engage in a bidding war with Beijing. Ou noted that Taiwan's diplomatic allies were originally concerned the Ma administration might discontinue aid programs, but they have now relaxed after hearing Ou's explanation of the new policy.

15. (C) Ou expressed hope Beijing will see the benefit of a diplomatic truce with a Taiwan administration that is working to improve cross-Straits relations rather than provoking the PRC. Mutual trust has been lacking in cross-Straits relations over the past eight years, so the key task is to rebuild trust, which will need time. Progress should be rapid on issues such as trade and economic ties. While political issues will be more difficult, Beijing's willingness to "shelve disputes" is an encouraging first step. (Note: PRC President Hu Jintao used the phrase "shelve disputes," part of a longer 16-character expression, in his April 29 meeting with KMT Honorary Chairman Lien Chan. PRC Taiwan Affairs Office Director Chen Yunlin repeated the phrase in his May 22 statement following President Ma's May 20 inauguration. Previously, then VP-elect Vincent Siew used "shelve disputes" in his April 12 meeting with Hu Jintao at the Bo'ao Forum.)

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16. (C) The Ma administration will adopt a flexible and pragmatic approach toward participating in international organizations, Ou said, adding that he expects Beijing to make some concessions on Taiwan's participation in technical organizations. When Beijing has previously expressed a willingness to be flexible on Taiwan's international space, he explained, this has referred to Taiwan's participation in specialized international organizations. For its part, Taiwan is highly flexible, Ou added, and it will craft an approach that also takes into account the views of major friendly governments like the U.S., Japan, and the EU. Taiwan's bid for UN membership will continue, because it is necessary to let the international community understand that Taiwan's 23 million people lack UN representation. However, the Foreign Ministry will conduct a review and adopt a more pragmatic and flexible approach than President Chen took last year when the letter he wrote seeking membership under the name Taiwan was rejected by the UN in an undignified way. (Comment: Ou's statement suggests the Ma administration will return to the previous standard practice of having diplomatic allies submit a proposal to the UN General Committee under the name of the ROC (Taiwan) or something similar.)

Bilateral Issues -----

17. (C) Ou turned to DG Tseng for details on current bilateral issues, noting that Tseng would be briefing him fully the following Monday. Tseng first raised the possibility of a bilateral extradition agreement. According to Tseng, a recent interpretation by the Taiwan Grand Council of Justices has found that such an agreement would have higher legal standing than the domestic law that otherwise would prevent extradition of ROC citizens. This clears the way for Taiwan to sign an extradition agreement with the U.S., Tseng said. At this point, Tseng suggested, the problem appears to be more on the U.S. side. However, he thought that the U.S. has also found a way to make a simple addition to its extradition law that would permit an extradition agreement with Taiwan. The question now is political will on the two sides, Tseng suggested, and he hoped an agreement could be negotiated before President Bush

leaves office so that the change in U.S. administrations would not delay the process. A/DIR suggested that TECRO should discuss with Washington directly and in more detail the progress on this issue on the Taiwan side.

18. (C) Ou expressed hope the U.S. will consider the possibility, before President Bush leaves office, of raising the level of bilateral exchanges. He underscored that, unlike the Chen administration, the Ma administration would not seek to make news out of any such change, which would benefit both sides in terms of improved mutual understanding.

A/DIR, Ou, and Tseng also noted upcoming TIFA-related visits and initiatives and Taiwan's interest in the visa waiver program and hope for a future FTA.

Beef

19. (C) A/DIR stressed the importance attached by the White House to the issue of Taiwan opening its market to imports of all U.S. beef products in accordance with OIE-standards. He indicated this would do much to boost bilateral relations. Ou agreed to give priority to the beef import issue, noting that he understood the problem lay with the Department of Health (DOH). Tseng said he had heard DOH was thinking of sending a fact-finding delegation to the U.S. A/DIR reminded Ou and Tseng that under the Chen administration DOH had already sent a delegation to the U.S., and that DOH had basically finished its work on approving the opening of beef imports. However, the "disappearance" of the DOH minister in the waning days of the Chen administration had blocked final resolution of the issue. Tseng said he would contact DOH on the beef issue.

Possible Transit Request

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10. (C) Ou told A/DIR that he believed Ma will want to attend presidential inaugurations in Paraguay and the Dominican Republic on August 15 and 16 and that Ma will most likely hope to transit the U.S. at that time. A/DIR urged Ou to provide AIT with any transit request as early as possible. In conclusion, Ou pointed out that A/DIR was the first foreign representative he had received.

Comment

11. (C) Despite the difficult challenges of his new position, Ou came across as upbeat and optimistic as well as thoughtful. It appears that MOFA under the new administration intends to chart a course that is lower key and less confrontational to Beijing than that pursued by the DPP government over the past eight years in its approach to diplomatic allies and international organizations. Ou reiterated several times the priority of rebuilding trust with the USG, which has started with U.S. envoy Card, s visit, but he acknowledged that this process will take time. In this regard, and in the context of improving cross-strait relations, he sought greater coordination and continued support from the U.S.

WANG